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TO RUEHC/SECSTATE WASHDC IMMEDIATE 4147  
INFO RUCNNSG/NUCLEAR SUPPLIERS GROUP COLLECTIVE  
RUEHBJ/AMEMBASSY BEIJING 5737  
RUEHBY/AMEMBASSY CANBERRA 1058  
RUEHKA/AMEMBASSY DHAKA 9367  
RUEHIL/AMEMBASSY ISLAMABAD 2562  
RUEHLO/AMEMBASSY LONDON 3123  
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RUEHKO/AMEMBASSY TOKYO 4645  
RUEHCG/AMCONSUL CHENNAI 9538  
RUEHCI/AMCONSUL KOLKATA 9189  
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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 001403

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SUBJECT: SARAN ASSURES AMBASSADOR OF ENGAGEMENT, DESIRE TO  
MOVE FORWARD ON 123 AGREEMENT

Classified By: Ambassador David Mulford for Reasons 1.4 (B, D)

¶1. (C) Summary. Ambassador met with Special Envoy Shyam Saran to emphasize the necessity for progress in the upcoming 123 Agreement talks. The upcoming round of 123 talks should not be a negotiation of previously agreed upon points, but rather a codification and definition of outstanding issues, the Ambassador urged. Saran agreed on the need for quick progress, admitting that the previous draft submitted by the GOI had been seen as a disappointment by the U.S. At the Ambassador's request, Saran agreed to meet privately with Dick Stratford on Monday after the first day's meeting and confirmed that Ambassador Jaishankar would return from Singapore to participate, but only in this round of 123 talks. In response to the DCM's suggestion that these talks need to avoid the dynamic of having Indian negotiators disagreeing on the Indian position, Saran said "at this stage, we realize we have to (act) as one delegation." End Summary.

March 123 Talks An Important Test On Ability To Move Forward

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¶2. (C) In a March 22 meeting, the Ambassador stressed to Special Envoy Shyam Saran that the March 25 visit by the 123 Agreement negotiating team, to be led by Dick Stratford, would be an important test of whether the U.S. and India will be able to move forward on reaching an agreement.

¶3. (C) Possibly reflecting a hope that Secretary Bodman could gain the support of India's scientific community, Saran began by asking the Ambassador whether he had received any update from Mumbai, where Secretary Bodman was spending the day and meeting with Atomic Energy Commission (AEC) Chairman Anil Kakodkar. The Ambassador replied that he had spoken with Secretary Bodman, but that Bodman had not had the opportunity for a one-on-one exchange with Kakodkar while touring nuclear facilities. The Ambassador continued to emphasize that at this stage the 123 discussions should not be a renewed negotiation on principles which had earlier been agreed, but rather a codification of those points. The short list of opening points, one to three points at the most, that may remain after the negotiating process could then be

discussed at senior levels. The passage of time works against successfully completing the 123 process, he noted.

#### Saran Confirms Need To Clear Underbrush

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14. (C) At the Ambassador's request, Saran agreed that he would meet with Dick Stratford and also confirmed that Ambassador Jaishankar would be returning from Singapore to participate in the upcoming discussions. He admitted that the 123 draft, which India had last submitted, had been considered a disappointment by the U.S., but said India had its own interagency problems to manage. India views this upcoming meeting as an opportunity to get a single draft agreed to, with a minimum of bracketed position, so that negotiations on areas of contention can move forward. India is aware of the time constraints, he stated, as well as the need for three parallel processes of securing the 123 Agreement, the IAEA safeguards agreement, and approval from the Nuclear Suppliers Group to move forward simultaneously. "We are conscious that we need to show progress," he said, adding that India, particularly Prime Minister Singh, has a great deal invested in the civil-nuclear agreement. He agreed with the Ambassador, and said that those involved on the Indian side were conscious of it, that this meeting needed to clear the underbrush so that the really contentious issues could be addressed.

#### India Realizes Need To Speak As One Delegation

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15. (C) DCM said this meeting should not suffer from a dynamic

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seen in previous civ-nuke meetings where the Indian side sits at the negotiating table and openly disagrees on what it is willing to negotiate. "Whatever we do at this stage, we realize we have to do as one delegation," Saran replied. "We will have to confront our problems up front."  
MULFORD